

UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

ETHYPHARM S.A. FRANCE AND
ETHYPHARM S.A. SPAIN,

Plaintiffs,

v.

BENTLEY PHARMACEUTICALS, INC.,

Defendant.

Civil Action No. 04-1300-SLR

JOINT APPENDIX OF DEPOSITION TRANSCRIPTS

VOLUME IV
(PAGES A-822 – A-1011)

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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF DELAWARE

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4 - - - - - x

5 ETHYPHARM S.A. FRANCE, :

6 and ETHYPHARM S.A. SPAIN, :

7 Plaintiffs, :

8 Vs. : C.A. No. 04-13000-SLR

9 BENTLEY PHARMACEUTICALS, :

10 INC., :

11 Defendant. :

12 - - - - - x

13

14

15 Videotaped Deposition of GÉRARD LEDUC

16 Washington, D.C.

17 9:17 a.m.

18

19

20 Job No.: 6740

21 Pages 1-208

22 Reported by: TRISTAN-JOSEPH, RPR

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1 Deposition of GÉRARD LEDUC, held at the
 2 offices of:
 3
 4 BAACH, ROBINSON & LEWIS PLLC
 5 1201 F Street, N.W.
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 7 Washington, D.C. 20004
 8 (202)833-8900
 9
 10
 11
 12 Pursuant to agreement, before
 13 Tristan-Joseph, Registered Professional Reporter and
 14 Notary Public of the District of Columbia.
 15
 16
 17
 18
 19
 20
 21
 22

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1 APPEARANCES
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<p>Page 14 09:02:59</p> <p>1 PROCEEDINGS</p> <p>2 THE VIDEOGRAPHER: On the record with</p> <p>3 tape number one of the videotaped deposition of</p> <p>4 Mr. Gérard M. Leduc taken by the Defendants (sic)</p> <p>5 in the matter of Ethypharm S.A. France and 09:17:18</p> <p>6 Ethypharm S.A. Spain versus Bentley Pharmaceuticals</p> <p>7 Incorporated, in the United States District Court</p> <p>8 for the District of Delaware, Civil Action</p> <p>9 No. 04-1300-SLR.</p> <p>10 This deposition is being held at the Law 09:17:39</p> <p>11 Offices of Baach, Robinson & Lewis located at 1201</p> <p>12 F Street, Northwest, in Washington, D.C. on</p> <p>13 July 15, 2006, at approximately 9:17 a.m.</p> <p>14 My name is T.J. O'Toole representing</p> <p>15 Esquire Deposition Services. I am the Certified 09:17:58</p> <p>16 Legal Video Specialist. The court reporter is</p> <p>17 Tristan-Joseph also representing Esquire Deposition</p> <p>18 Services.</p> <p>19 Will counsel please introduce themselves</p> <p>20 and indicate which parties they represent. 09:18:12</p> <p>21 MR. STEWART: Craig Stewart. With me is</p> <p>22 Joseph Mingolla of the law firm of Edwards Angell</p>	<p>Page 16</p> <p>1 GÉRARD LEDUC</p> <p>2 Was called as a witness and, having first been duly</p> <p>3 sworn, was examined and testified as follows:</p> <p>4 EXAMINATION BY COUNSEL FOR THE DEFENDANT</p> <p>5 BY MR. STEWART: 09:19:21</p> <p>6 Q. Good morning, Mr. Leduc?</p> <p>7 A. (In English) Good morning.</p> <p>8 Q. As you know, my name is Craig Stewart.</p> <p>9 I represent the Defendant in this case Bentley</p> <p>10 Pharmaceuticals Incorporated. 09:19:27</p> <p>11 Okay. Would you please state your name</p> <p>12 and residence address for the record?</p> <p>13 A. My name is Gérard Leduc. I live at --</p> <p>14 I live at La gauge (phonetic), La brosse in the</p> <p>15 department of Ruede in France. 09:19:58</p> <p>16 Q. Do you speak English?</p> <p>17 A. Yes.</p> <p>18 Q. And do you write English?</p> <p>19 A. (In English) Yes.</p> <p>20 (Through the Interpreter) Yes. 09:20:16</p> <p>21 Q. And do you understand written English?</p> <p>22 A. Yes.</p>
<p>Page 15 09:18:19</p> <p>1 Palmer & Dodge, counsel for the Defendant Bentley</p> <p>2 Pharmaceuticals Incorporated.</p> <p>3 MR. BOSTWICK: Dwight Bostwick, and in</p> <p>4 and out will be Jonathan Fine. Both of us are from</p> <p>5 the law firm of Baach, Robinson & Lewis, and we 09:18:31</p> <p>6 represent the Plaintiffs in this action.</p> <p>7 THE VIDEOGRAPHER: Thank you.</p> <p>8 Will the interpreter please identify</p> <p>9 himself for the record.</p> <p>10 THE INTERPRETER: Didier Devynck, and 09:18:41</p> <p>11 I'm the Interpreter.</p> <p>12 THE VIDEOGRAPHER: Thank you.</p> <p>13 Will the court reporter please swear in</p> <p>14 the interpreter.</p> <p>15 Whereupon, 09:18:45</p> <p>16 DIDIER DEVYNCK</p> <p>17 was sworn by the court reporter to interpret English</p> <p>18 into French and French into English.</p> <p>19 THE VIDEOGRAPHER: Will the Interpreter</p> <p>20 please assist the court reporter in swearing in the 09:18:55</p> <p>21 witness.</p> <p>22 Whereupon,</p>	<p>Page 17 09:20:23</p> <p>1 Q. Do you speak Spanish?</p> <p>2 A. No.</p> <p>3 Q. Do you understand written Spanish?</p> <p>4 A. No.</p> <p>5 Q. Okay. Have you had your deposition 09:20:31</p> <p>6 taken before?</p> <p>7 A. In this case?</p> <p>8 Q. In the United States.</p> <p>9 A. No. I had a deposition for the United</p> <p>10 States but not in the United States. 09:20:59</p> <p>11 Q. Okay. As you probably know, then, you</p> <p>12 have sworn to tell the truth and there are</p> <p>13 penalties under U.S. law for not telling the truth.</p> <p>14 Do you understand?</p> <p>15 A. Correct. 09:21:22</p> <p>16 Q. Okay. And if at any time during this</p> <p>17 deposition you need to take a break, let us know</p> <p>18 and we will be happy to accommodate.</p> <p>19 A. Thank you in advance.</p> <p>20 Q. The only exception will be if I have 09:21:42</p> <p>21 posed a question we will not take a break until</p> <p>22 you've answered the pending question.</p>

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<p>1 Do you understand?</p> <p>2 A. That's okay.</p> <p>3 Q. And Mr. Bostwick and I have agreed that</p> <p>4 during these proceedings that during the break and</p> <p>5 the -- that if there is a break in your testimony,</p> <p>6 that you are not permitted to discuss the substance</p> <p>7 of your testimony with your counsel.</p> <p>8 Do you understand?</p> <p>9 A. Okay.</p> <p>10 Q. Okay. By whom are you employed, sir?</p> <p>11 A. Ethypharm S.A.</p> <p>12 Q. Where is the headquarters of</p> <p>13 Ethypharm S.A.?</p> <p>14 A. In France.</p> <p>15 Q. And what city?</p> <p>16 A. Houdan.</p> <p>17 Q. Houdan?</p> <p>18 A. H-O-U-D-A-N. In the department of</p> <p>19 Yvelines.</p> <p>20 Q. What facilities of Ethypharm S.A. are</p> <p>21 located in Saint-Cloud?</p> <p>22 A. General services.</p>	<p>Page 18 09:21:51</p> <p>Page 20 09:24:49</p> <p>1 A. Me and my family, 42.5.</p> <p>2 Q. Would you describe the business of</p> <p>3 Ethypharm S.A.</p> <p>4 A. Certainly. The '85 model historically</p> <p>5 until today is to deliver products with a</p> <p>6 particular presentation. There being three</p> <p>7 technologies: The pellets, microgranules,</p> <p>8 fast-dissolving tablets.</p> <p>9 Q. Fast-dissolving tablets?</p> <p>10 THE INTERPRETER: Yes.</p> <p>11 A. And presentations allowing absorption of</p> <p>12 unsoluble products orally. The way we operate is</p> <p>13 to develop this product, all the technologies to</p> <p>14 make these products, and then give license to third</p> <p>15 parties. This means not only the technique but</p> <p>16 also all the know-how from manufacturing, all the</p> <p>17 know-how for registration, and all the know-how for</p> <p>18 marketing.</p> <p>19 Q. Registration of marketing, okay.</p> <p>20 A. Marketing to other large companies.</p> <p>21 They will never sell directly.</p> <p>22 Q. I need a clarification. I understood</p>
<p>1 Q. Where is your office?</p> <p>2 A. In Saint-Cloud.</p> <p>3 Q. What is located at Houdan?</p> <p>4 A. The headquarters historically have not</p> <p>5 been changed, and also the very first plant.</p> <p>6 Q. Okay. Ethypharm S.A. is a corporation;</p> <p>7 is that correct?</p> <p>8 A. Yes.</p> <p>9 Q. Is Ethypharm S.A. a publicly traded</p> <p>10 corporation?</p> <p>11 A. No.</p> <p>12 Q. When was Ethypharm S.A. formed as a</p> <p>13 corporation?</p> <p>14 A. 1977.</p> <p>15 Q. Was that founded by yourself and</p> <p>16 Mr. Patrice Debrégeas?</p> <p>17 A. No, but there were others.</p> <p>18 Q. Okay. Are you a stockholder in</p> <p>19 Ethypharm S.A.?</p> <p>20 A. Yes.</p> <p>21 Q. And what is the percentage ownership</p> <p>22 that you have?</p>	<p>Page 19 09:23:21</p> <p>Page 21 09:28:02</p> <p>1 you to say that there were three main forms of</p> <p>2 presentation.</p> <p>3 A. Currently.</p> <p>4 Q. Pellets, one; microgranules --</p> <p>5 A. Oh, he said microgranules are the same</p> <p>6 thing.</p> <p>7 Q. Okay, good. And then -- so pellets and</p> <p>8 microgranules is one. Yes? You have to say yes.</p> <p>9 A. (In English) Yes. (In French) oui.</p> <p>10 Q. Because the stenographer.</p> <p>11 A. (In English) Yeah, okay. (In French)</p> <p>12 Oui.</p> <p>13 Q. And fast-dissolving tablets is two?</p> <p>14 A. Yes.</p> <p>15 Q. And technique to provide absorption</p> <p>16 of -- absorption into the skin of insoluble</p> <p>17 pharmaceuticals?</p> <p>18 A. Orally. Not for -- not for the skin.</p> <p>19 Q. Okay, oral absorption.</p> <p>20 Ethypharm S.A. has wholly-owned</p> <p>21 subsidiaries; does it not?</p> <p>22 A. Yes.</p>

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<p>1 Q. And in 19 -- in 1991, one of its 2 wholly-owned subsidiaries was Ethypharm S.A. Spain; 3 is that right? 4 A. Yes. 5 Q. From time to time do you refer to 6 Ethypharm S.A., that is the French company as 7 Ethypharm S.A. France? 8 A. Yes. 9 Q. Is there an easier way to -- when I'm 10 speaking of the French parent company, how should 11 I -- how should I say it? 12 A. It's the company that owns all of the 13 subsidiaries, all the industrial policy, the 14 strategy, and the agreements go up as in all groups 15 to the mother company. 16 Q. My question is more simple. In -- in -- 17 during our deposition, if I refer to Ethypharm 18 France, will you understand that I'm referring to 19 the parent corporation? 20 A. It seems natural. 21 Q. Okay. And if I refer to Ethypharm 22 Spain, will you understand I'm referring to</p>	<p>Page 22 09:29:23 09:29:46 09:30:12 09:30:43 09:31:09</p>	<p>1 Belmac S.A. or Laboratorious Belmac S.A. 2 Do you understand that Laboratorious 3 Belmac is a wholly-owned subsidiary of Bentley 4 Pharmaceuticals, Incorporated? 5 A. Yes, it's clearer now that Bentley 6 changed its name. 7 Q. And you are aware that Bentley -- or can 8 we agree that Bentley -- that Bentley 9 Pharmaceuticals, Incorporated, changed its name in 10 or around January of 1996? 11 A. Yes, it's possible. I don't -- I don't 12 recall exactly, but that's about the date. 13 Q. Okay. And that the name of Bentley 14 Pharmaceuticals before approximately that date was 15 Belmac Corporation? 16 A. That's correct. 17 Q. I may be -- when I refer to Belmac 18 Corporation, U.S., will you understand I'm 19 referring to the parent corporation, Belmac 20 Corporation? 21 A. As for Ethypharm, yes. 22 Q. Okay. Describe for me, please, your</p>	<p>Page 24 09:33:25 09:33:57 09:34:14 09:34:39 09:35:01</p>
<p>1 Ethypharm's Spanish subsidiary? 2 A. Yes. 3 Q. Okay. 4 MR. STEWART: May I have marked, please, 5 a copy of the Complaint. 6 (Discussion held off the record.) 7 (Leduc Deposition Exhibit No. 1 was 8 marked for Identification.) 9 BY MR. STEWART: 10 Q. Mr. Leduc, I've -- we've had marked as 11 Exhibit 1 the Complaint in this action. 12 Do you recognize Exhibit 1 as the 13 Complaint that your counsel has filed against 14 Bentley Pharmaceuticals, Incorporated? 15 A. Yes. 16 Q. Did you see a draft of Exhibit 1 before 17 it was filed with the court? 18 A. Yes. 19 Q. Have you provided information that was 20 used in the Complaint? 21 A. I think, yes. 22 Q. The Complaint refers in many places to</p>	<p>Page 23 09:31:15 09:31:28 09:32:22 09:32:49 09:33:06</p>	<p>1 duties -- let me withdraw that. 2 What is your current title? 3 A. President and CEO. 4 Q. And for how long have you held that 5 title? 6 A. For Ethypharm S.A., since November of 7 2005. 8 Q. That's for Ethypharm France? 9 A. Yes. 10 Q. What titles do you hold, if any, for 11 subsidiaries of Ethypharm France? 12 A. Just about always title of 13 administrator. 14 Q. What duties or power does the title 15 "administrator" typically carry? 16 A. There are variations according to the 17 countries, but, in general, that administrators of 18 the board. They participate in the strategy and 19 also in the decisions that are made by the mother 20 company. The application, they are very involved 21 in the application of the decisions that are made 22 by the mother company.</p>	<p>Page 25 09:35:16 09:35:29 09:35:52 09:36:20 09:37:09</p>

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<p>1 Q. Okay. And from the period 1990 through 2 2003 what position did you hold with Ethypharm 3 Spain? 4 A. Administrator. 5 Q. And what position did you hold with 6 Ethypharm France from during the same period, 1990 7 through 19 -- through 2003? 8 A. General manager. And there was a change 9 in the law, and I don't know when, maybe three or 10 four years ago, and the title became delegate 11 general manager. 12 Q. Delegate? 13 THE INTERPRETER: Delegate. 14 Yeah. 15 MR. STEWART: Sorry? 16 THE INTERPRETER: By law. 17 MR. STEWART: By law. 18 BY MR. STEWART: 19 Q. Did the change in title make any 20 difference to your duties? 21 A. No. 22 Q. Please describe your duties from 1990</p>	<p>Page 26 09:37:18 1 directly so it's a -- it's a license. 2 Q. So licensing? 3 A. Yes. For the rest, that is essentially 4 finance, we were doing that together. And during 5 that time, the company expanded and got structured. 6 Beginning in '92 or '93, there were 7 assistant general managers or -- 8 THE WITNESS: (In English) Vice 9 presidents. 10 A. (Through the Interpreter) -- vice 11 presidents that were hired and that were in charge 12 in my place of business relations or almost in 13 negotiations with local managers. 14 And I think it's in '92 that the Claude 15 Dubois was hired as vice president, and he was in 16 charge with Spain and discussions with the United 17 States also. 18 Pierre Germain followed suits, I'm -- I 19 don't know, maybe 2000, I think. And he took over, 20 maybe with some differences, at least the industry 21 activity, just little portions of the subsidiaries. 22 One can talk a lot about the structure,</p> <p>Page 28 09:41:06 09:41:33 09:42:13 09:42:37 09:43:14</p>
<p>1 until -- well, why don't we say up until 2 November of 2005. 3 A. In Ethypharm S.A. there was -- there 4 were, at that time, two stockholders. 5 Q. I'm not -- and I may not have been 6 clear. I'm referring to -- I'm referring to your 7 title with respect to Ethypharm France -- I'm 8 sorry, your duties with respect to Ethypharm 9 France. 10 A. Let's go again. So at that time there 11 were two stockholders that was Mr. Debrégeas, he's 12 a pharmacist, and neither pharmacist, nor doctor. 13 So in the pharmaceutical laboratory in France, the 14 law requires that the president of the CEO -- or 15 the president and CEO or the general manager, they 16 are pharmacists. 17 So Patrice was dealing with all the 18 technique, the development plans. And I was in 19 charge of agreements -- agreements and industrial 20 property. 21 Q. And marketing? 22 A. We don't -- we don't sell products</p>	<p>Page 27 09:38:51 09:39:18 09:39:33 09:40:12 09:40:47 09:44:13 09:44:34 09:45:19</p> <p>1 but I think this is sufficient to summarize. 2 Q. That's fine. 3 Did Pierre Germain take over the 4 responsibilities of Claude Dubois when Mr. Dubois 5 was terminated? 6 A. I think he took over at least 7 three-quarters of his responsibilities with maybe a 8 small gap of a few months. I don't remember 9 exactly when one left and the other one came. 10 Q. With respect to Ethypharm Spain, what 11 were your specific responsibilities? 12 MR. BOSTWICK: Objection. Time frame. 13 MR. STEWART: From 1992 through 2002. 14 THE INTERPRETER: 2002, you say? 15 MR. STEWART: Yes, 1992 through 2002. 16 THE WITNESS: I know we had a joint 17 intervention, all the technical problems were dealt 18 with by Patrice Debrégeas, and the other types of 19 problems were the responsibility of either Pierre 20 Germain or Claude Dubois, but I was always 21 informed. I was -- I was kept in the loop. And 22 maybe not in detail but sufficiently to be -- to be</p> <p>Page 29 09:43:29 09:43:42 09:44:13 09:44:34 09:45:19</p>

8 (Pages 26 to 29)

<p>1 informed, yes. Page 30 09:45:41</p> <p>2 MR. BOSTWICK: Before you go on,</p> <p>3 Mr. Leduc, if you have something longer to say, it</p> <p>4 might be helpful to the translator if you -- if you</p> <p>5 stop midway so he can translate accurately 09:45:53</p> <p>6 throughout.</p> <p>7 THE INTERPRETER: Right, okay.</p> <p>8 THE WITNESS: I'll try not to be too</p> <p>9 long in the sentences to be translated.</p> <p>10 BY MR. STEWART: 09:46:13</p> <p>11 Q. What was your -- would you please</p> <p>12 describe your education, in particular, any</p> <p>13 professional education.</p> <p>14 A. I am a chemical engineer. Following</p> <p>15 that, I had a law degree in the industry of 09:46:38</p> <p>16 property. I had a private firm.</p> <p>17 MR. BOSTWICK: Let me interrupt, yeah,</p> <p>18 just for minute.</p> <p>19 When you translated industrial property,</p> <p>20 is that correct or was it intellectual property. 09:46:55</p> <p>21 THE WITNESS: Yeah, it's -- I believe</p> <p>22 it's intellectual property as applied to industry.</p>	<p>1 liability company before becoming an S.A. Page 32 09:49:05</p> <p>2 Q. Okay.</p> <p>3 A. If you want details in French law,</p> <p>4 you're almost obligated to turn a limited liability</p> <p>5 company into an S.A. starting at a certain level of 09:49:37</p> <p>6 sales because, otherwise, you have to multiply all</p> <p>7 the commissioners and it becomes too heavy.</p> <p>8 Because being a limited liability</p> <p>9 company allows to get some exemptions, and there</p> <p>10 are many more controls. And when the company 09:50:11</p> <p>11 grows, these controls become too heavy.</p> <p>12 But I can give you my card, and I'll</p> <p>13 give you a consultation in French law, if you need</p> <p>14 it. It was a joke.</p> <p>15 Q. I understand. There is one point I am 09:50:32</p> <p>16 curious about is when -- when you refer to a</p> <p>17 limited liability company, what is the -- what's</p> <p>18 the -- what do you understand is the basic concept</p> <p>19 of a limited liability company as opposed to --</p> <p>20 MR. BOSTWICK: Objection. Calls for a 09:50:53</p> <p>21 legal conclusion.</p> <p>22 THE INTERPRETER: He understood the</p>
<p>1 There are two different. Intellectual property Page 31 09:47:04</p> <p>2 covers concepts and models but -- and designs, but</p> <p>3 industrial property is mostly patents.</p> <p>4 BY MR. STEWART:</p> <p>5 Q. Okay. 09:47:36</p> <p>6 A. It's the same thing in the United</p> <p>7 States.</p> <p>8 Q. Please continue.</p> <p>9 A. So I had a private practice for five,</p> <p>10 six years. But before that I also got an MBA. And 09:47:56</p> <p>11 when Ethypharm was created, I stopped my private</p> <p>12 practice.</p> <p>13 Q. How long did you -- did you have your</p> <p>14 private practice?</p> <p>15 A. Six or seven years. 09:48:24</p> <p>16 Q. In France -- in France is there a</p> <p>17 concept known as limited liability for</p> <p>18 corporations?</p> <p>19 A. Yes.</p> <p>20 Q. Did you study that concept in law 09:48:48</p> <p>21 school?</p> <p>22 A. Yes. Yes. And Ethypharm was a limited</p>	<p>1 translation. Page 33 09:51:03</p> <p>2 THE WITNESS: A limited liability</p> <p>3 company has a capital x amount and its liability</p> <p>4 towards third parties is not -- is not permitted</p> <p>5 beyond this capital. 09:51:28</p> <p>6 BY MR. STEWART:</p> <p>7 Q. Okay. So that, for example, you, as a</p> <p>8 shareholder, your personal assets would not be at</p> <p>9 risk?</p> <p>10 A. No, I didn't say that. I said a limited 09:51:53</p> <p>11 liability company is not responsible -- is not</p> <p>12 liable beyond its capital. But if the manager of</p> <p>13 the company makes mistakes and then he can be -- he</p> <p>14 can be called personally but not the company.</p> <p>15 Q. Okay. Let me show you -- I'm going to 09:52:34</p> <p>16 talk about the -- the first couple of years of the</p> <p>17 relationship between, first, Ethypharm and a</p> <p>18 company called Rimafar and then -- and then</p> <p>19 Ethypharm and Laboratorious Belmac.</p> <p>20 Was there a time that Ethypharm Spain 09:53:15</p> <p>21 was having business dealings with a company called</p> <p>22 Rimafar S.A.?</p>

9 (Pages 30 to 33)

<p>Page 34 09:53:34</p> <p>1 A. Absolutely.</p> <p>2 Q. Do you recall -- let me just --</p> <p>3 MR. STEWART: Let's have marked as the</p> <p>4 next two exhibits -- yeah, yeah. Actually, let's</p> <p>5 do this one as well. 09:53:49</p> <p>6 Exhibit 2 is a fax dated January 29,</p> <p>7 1999.</p> <p>8 (Leduc Deposition Exhibit No. 2 was</p> <p>9 marked for Identification.)</p> <p>10 MR. STEWART: And then Exhibit 3, 09:54:23</p> <p>11 another fax dated February 8, 1991.</p> <p>12 (Leduc Deposition Exhibit No. 3 was</p> <p>13 marked for Identification.)</p> <p>14 MR. BOSTWICK: Are you requesting that</p> <p>15 he look and read both of these or . . . ? 09:55:13</p> <p>16 MR. STEWART: I just want to give him a</p> <p>17 chance to look them over quickly.</p> <p>18 BY MR. STEWART:</p> <p>19 Q. Do you -- do you recognize these</p> <p>20 documents, Mr. Leduc, as copies of faxes that 09:55:27</p> <p>21 were -- that pertained to Ethypharm Spain's</p> <p>22 relationship with Rimafar?</p>	<p>Page 36 09:58:00</p> <p>1 (Through the Interpreter) And in 1992,</p> <p>2 European law that was enforced forced Spain to open</p> <p>3 its borders but with a ten-year schedule for</p> <p>4 enforcement, so we still have to. So we were in</p> <p>5 the plant of the Made laboratories in Made. 09:58:35</p> <p>6 Q. Of the?</p> <p>7 A. The plant of the Made laboratory, which</p> <p>8 was a subsidiary of the S.A. group.</p> <p>9 Q. How do you spell "Made"?</p> <p>10 A. M-A-D-E. 09:58:55</p> <p>11 Q. Okay.</p> <p>12 A. The operations of Ethypharm -- Ethypharm</p> <p>13 Spain were beginning to expand a lot, and it was no</p> <p>14 longer possible to stay at Made, only for room</p> <p>15 issues, capacity. 09:59:26</p> <p>16 Q. What was the -- well, what was the</p> <p>17 business of Ethypharm Spain?</p> <p>18 MR. BOSTWICK: Objection. Vague.</p> <p>19 THE WITNESS: We're just products with</p> <p>20 the Spanish Department of Health and find the 09:59:46</p> <p>21 licensees in Spain and manufacturer for them.</p> <p>22</p>
<p>Page 35 09:55:58</p> <p>1 A. Yes, of course. That was sent to Eddie</p> <p>2 from Spain and also it's a letter to Eddie from</p> <p>3 France. It says discussions with Adolfo de</p> <p>4 Basilio, who is responsible for France -- or for</p> <p>5 Spain, were coordinated from France. 09:56:26</p> <p>6 Q. Okay. And you were a recipient of these</p> <p>7 two documents. Correct?</p> <p>8 A. Yes.</p> <p>9 Q. Describe for me, please, when -- first,</p> <p>10 when did Ethypharm Spain begin dealing with 09:56:43</p> <p>11 Rimafar S.A.?</p> <p>12 A. The exact date, I don't have a precise</p> <p>13 memory. Let's say in maybe 1990, that corresponds</p> <p>14 to a change, were forced to find a way to</p> <p>15 manufacture in Spain. 09:57:27</p> <p>16 Since until 1992, it was not possible in</p> <p>17 Spain to import from the city products in bulk, and</p> <p>18 so the only solution was to manufacturer them in</p> <p>19 Spain.</p> <p>20 Q. Was that as -- was that as a matter of 09:57:55</p> <p>21 Spanish law?</p> <p>22 A. (In English) Yes.</p>	<p>Page 37 09:59:57</p> <p>1 BY MR. STEWART:</p> <p>2 Q. What products were being manufactured by</p> <p>3 Ethypharm Spain in the period 1990 to 1992?</p> <p>4 A. We contacted Rimafar. Rimafar was, at</p> <p>5 the time, was a plant. And one plant told us that 10:00:25</p> <p>6 they were interested in manufacturing for third</p> <p>7 parties, and with transfer of our technologies and</p> <p>8 working under our control without having to do a</p> <p>9 specific pharmaceutical laboratory.</p> <p>10 I think at the time our problems are 10:01:07</p> <p>11 with four products: Felodipine, Vincamine,</p> <p>12 Aspirine, and mostly Omeprazole and Lanzoprazole</p> <p>13 also. And that was important, because in Spain it</p> <p>14 was allowed and not in France to manufacture</p> <p>15 Omeprazole. 10:01:40</p> <p>16 Q. Was that because in Spain Spanish law</p> <p>17 did not recognize the patent that was -- that was</p> <p>18 held in Omeprazole?</p> <p>19 A. Yes, as I said the law changed in '92.</p> <p>20 And the products that were registered before '92, 10:02:22</p> <p>21 whether or not they were patented in their country</p> <p>22 of origin, weren't enforced in Spain.</p>

10 (Pages 34 to 37)

ESQUIRE DEPOSITION SERVICES

1-866-619-3925

JT-A-831

<p>1 Q. Who -- so in, let's say, 1991, what 2 products was -- what products were being 3 manufactured by Ethypharm Spain? 4 A. That's what I mentioned a little while 5 ago. Maybe I forgot one or two and maybe 6 Viclofenac also. 7 Q. So Felodipine, Vincamine, Aspirine and 8 Metrazole and Omeprazole? 9 A. And Viclofenac. 10 Q. Could you -- how do we spell that? 11 A. The active principal of the Voltaren in 12 the United States, V-I-C-L-O-F-E-N-A-C. 13 Q. What is it used for? 14 A. Oh, pain. 15 (In English) Sorry, sorry. 16 BY MR. STEWART: 17 Q. So who held the -- what -- which -- 18 which companies or company held the patent on 19 Omeprazole? 20 A. I think we filed the patents for 21 Omeprazole at Ethypharm Spain because that's where 22 we had to perform the development -- oh, finalize</p>	<p>Page 38 10:02:32 10:03:04 10:03:20 10:04:02 10:04:36</p> <p>1 And even recently in Spain, STV, a large 2 producer, we obtained the application of that 3 patent. They no longer have a patent. There 4 aren't very many companies, the companies at 5 Ethypharm that had patents in all the countries, 6 recognize and confirmed in all countries. And 7 that's why, for us, this product has a value that 8 it doesn't have for others. 9 Q. So in the period 1992 through 2003, did 10 Ethypharm have -- have a valid patent on 11 Omeprazole? 12 MR. BOSTWICK: I'm going to object on 13 the Phase II grounds here. 14 THE WITNESS: The patents were not 15 delivered in all countries during that period. We 16 had initial patents but they were our improvements 17 also. It's a series of patents. It's not only one 18 patent. 19 BY MR. STEWART: 20 Q. All right. Just a couple of more 21 questions in this area, just for background, and 22 then I'm done.</p>
<p>1 the development. Because the studies were 2 initiated, it took us about seven or eight years to 3 develop this product and it was in France and some 4 also in Canada. 5 Q. Did AstraZeneca also have a patent on 6 Omeprazole? 7 A. Absolutely. 8 Q. What other companies, to your knowledge, 9 claim patents on Omeprazole? 10 MR. BOSTWICK: Objection. Time frame. 11 BY MR. STEWART: 12 Q. 1992 and earlier. Actually, I'm 13 interested -- I'm interested in the -- in what 14 companies had patents in 1992. 15 A. There were probably four or five 16 companies that did also a lot of work on Omeprazole 17 but very few got patents. And furthermore, there 18 are -- few of them did not see the patent cancelled 19 later. 20 For example, there was a Turkish company 21 for which Ethypharm filed for proposition in Europe 22 but their patent was never delivered.</p>	<p>Page 39 10:04:47 10:05:10 10:05:31 10:05:59 10:06:24</p> <p>Page 40 10:06:42 10:07:02 10:07:39 10:08:10 10:08:26</p> <p>Page 41 10:08:37 10:09:09 10:09:28 10:10:08 10:10:49</p> <p>1 Did Ethypharm have a license arrangement 2 with AstraZeneca with regard to Omeprazole? 3 MR. BOSTWICK: Objection. Phase II. 4 THE WITNESS: Yes. But later in 1990 -- 5 in '90, '91, '92, no, the agreements with 6 AstraZeneca must have been as far as I remember 7 1996. 8 BY MR. STEWART: 9 Q. Okay. 10 A. Or later. 11 Q. Okay. Okay. So did Ethypharm Spain and 12 Ethypharm -- well, withdraw that. 13 Did Ethypharm Spain reach an agreement 14 with Rimafar S.A. in the period 1991? 15 A. Do you say Ethypharm Spain or Ethypharm 16 S.A.? 17 Q. Well, first, let's take Ethypharm Spain. 18 A. Okay. I think I was -- I think I was 19 clear on one point. Ethypharm Spain was there to 20 administer things, but all the decisions, 21 especially about agreements were made by Ethypharm 22 France, and that's why I asked the question.</p>

11 (Pages 38 to 41)

<p>1 Q. Fine. Then let's -- the -- was an 2 agreement reached between Ethypharm France and 3 Rimafar? 4 A. An agreement was discussed in detail. 5 Since one day, and to date, that has been the case. 6 That's why we had a meeting in Madrid. That was 7 Mr. Debrégeas, myself, Adolfo de Basilio. And for 8 the other side, Guys Deliana and one or two other 9 team persons from Buenos Aires, including perhaps a 10 consultant who was a former director of Juan Bulonk 11 (phonetic). I'm not sure, but I think there was at 12 least -- and one other person. And they started 13 sending an agreement that had been exchanged 14 between us and that maybe included 20 pages. 15 And I left the meeting because I had to 16 go back to Paris that evening. And when I left we 17 had finished signing approximately one-third of the 18 contract, and the rest had been discussed through 19 exchanges, I believe. And to my surprise -- to my 20 surprise, after I left, they went to a restaurant 21 and they never finalized the rest of the -- of the 22 agreement.</p>	<p>Page 42 10:10:58 1 Before transferring the information, the 2 signing of drastic confidential provisions, and the 3 recognition that the products for these products 4 and technologies, the contractor, before knowing 5 us, had absolutely no knowledge of. 6 Even though, maybe, some elements may 7 have been known in some parts of the world, all the 8 companies of the group with which -- with which we 9 have agreements recognize that all the technologies 10 is ours and they didn't have any knowledge of it 11 before. 12 Okay. The other important point was to 13 make sure that Rimafar had GNP facilities that we 14 could deliver to our customers with reasonable 15 quality, and Rimafar did not have them. 16 So that, as we had done with Made, for 17 our part, which is the manufacturing of 18 microgranules, so we had to train the people and 19 tell them you have to do this, you have to do this, 20 you have to do that, and upgrade the manufacturing 21 level so that they would be able to deliver what 22 was required for both for manufacturing and for the</p>
<p>1 And I understand from Patrice Debrégeas 2 that it was difficult afterwards because they did 3 not seem to really want to pursue the discussion. 4 But in the morning, 37 we were in agreement, 5 everything was moving forward normally. 6 Q. Would you describe, please, what the -- 7 the basic terms of the agreement between Ethypharm 8 and Rimafar. And when I say "Ethypharm," I mean 9 Ethypharm Spain -- Ethypharm France as being 10 administered through Ethypharm Spain. 11 MR. BOSTWICK: Objection. Ambiguous. 12 THE WITNESS: And I say that is 13 relatively simple because it's like this in all the 14 countries of the world. And that was the case in 15 the previous agreements that we had with BASF. 16 So the basis of the agreement, the 17 object was manufacturing for Ethypharm France or 18 Spain or any other company of the Ethypharm group 19 of products in the form of microgranules. Based on 20 technology and know-how and information from 21 Ethypharm France because everything goes back to 22 the mother company.</p>	<p>Page 43 10:13:53 1 other parts. 2 To avoid all problems, we were also the 3 ones who were indicating which equipment had to be 4 purchased, all the size, which size and all the 5 specifications came from us. 6 Q. Okay. 7 A. Roughly, manufacturing agreement and 8 know-how to transfer like all pharmaceutical groups 9 do all the time without any problem. 10 Q. Where was Rimafar's plant? 11 A. Zaragoza. 12 Q. And did Rimafar make any pharmaceutical 13 products for Ethypharm before it was purchased by 14 Belmac Corporation? 15 A. I'm unable to answer precisely. In my 16 opinion, we had discussions. Since this contract 17 had not been signed in 1991, we must still have 18 been in discussions. But I think we had started 19 validation tests and things like that to advance on 20 the technical point, level. 21 But again, we had not reached a final 22 agreement since, once again, we had -- had been</p>

12 (Pages 42 to 45)

<p>1 left with that partially signed agreement. Page 46 10:21:22</p> <p>2 What we had already done is that we had</p> <p>3 some individual secrecy agreements on some elements</p> <p>4 so we could at least get started and test the</p> <p>5 validity -- and to test the validity and see if it 10:22:03</p> <p>6 was possible to go all the way.</p> <p>7 Q. Okay. Now before Belmac Corporation</p> <p>8 purchased Rimafar, Ethypharm had installed some of</p> <p>9 its machinery in Zaragoza; is that true?</p> <p>10 A. I cannot tell you because I've been 10:22:40</p> <p>11 clear that on the technical level and I don't</p> <p>12 follow the solution at that level. I think I knew</p> <p>13 at the time but I don't recall.</p> <p>14 Q. Okay.</p> <p>15 MR. BOSTWICK: Steve -- 10:22:58</p> <p>16 MR. STEWART: Craig.</p> <p>17 MR. BOSTWICK: I have a -- I need a</p> <p>18 little bathroom break in a minute --</p> <p>19 MR. STEWART: Sure.</p> <p>20 MR. BOSTWICK: -- or when you get a 10:23:01</p> <p>21 chance.</p> <p>22 MR. STEWART: I'll just -- we'll just</p>	<p>1 THE INTERPRETER: Okay. Page 48 10:24:55</p> <p>2 THE WITNESS: If you will, I will read</p> <p>3 them to you in French.</p> <p>4 BY MR. STEWART:</p> <p>5 Q. And you'll translate that? 10:24:59</p> <p>6 THE INTERPRETER: Okay.</p> <p>7 MR. STEWART: And then we'll take a</p> <p>8 break?</p> <p>9 MR. BOSTWICK: Okay.</p> <p>10 THE WITNESS: The first sentence is I 10:25:10</p> <p>11 sent this to Patrice Debrégeas to ask him if he</p> <p>12 agrees with that. And so from Patrice, this is a</p> <p>13 matter that is concerning the roof. Then,</p> <p>14 therefore, it is not to be followed by Adolfo. It</p> <p>15 must be followed by Gérard Leduc, Pascal Oury, and 10:25:40</p> <p>16 Patrice Debrégeas.</p> <p>17 BY MR. STEWART:</p> <p>18 Q. And the Adolfo you are referring to is</p> <p>19 Adolfo de Basilio?</p> <p>20 A. I think that's the only Adolfo I know in 10:25:52</p> <p>21 Spain. The other -- the other one was Spain, and</p> <p>22 it goes many years before. That's also a joke.</p>
<p>1 take care of this point and then we can. Page 47 10:23:03</p> <p>2 MR. BOSTWICK: No problem.</p> <p>3 MR. STEWART: If I can remember.</p> <p>4 MR. BOSTWICK: This is four?</p> <p>5 Yes. 10:23:10</p> <p>6 (Leduc Deposition Exhibit No. 4 was</p> <p>7 marked for Identification.)</p> <p>8 BY MR. STEWART:</p> <p>9 Q. Mr. Leduc, I'm showing you what we've</p> <p>10 marked as Exhibit 4. And for -- I'd ask if you 10:23:33</p> <p>11 could look at the attachment to Mr. de Basilio's</p> <p>12 fax. And -- and there's an English translation --</p> <p>13 A. (In English) okay.</p> <p>14 Q. -- and see if that refreshes your memory</p> <p>15 as to whether machinery, at least some machinery, 10:24:12</p> <p>16 had been installed in the Rimafar plant.</p> <p>17 A. What refreshes my memory in this exhibit</p> <p>18 is the handwritten note that is there.</p> <p>19 Q. Ah. And who's handwritten note is that?</p> <p>20 A. For me, for the first two sentences, the 10:24:39</p> <p>21 three lines after that, Mr. Debrégeas, and all the</p> <p>22 rest from me.</p>	<p>1 Q. I understand the jokes. Those Page 49 10:26:08</p> <p>2 translate --</p> <p>3 A. (In English) Okay.</p> <p>4 Q. -- just fine, yeah.</p> <p>5 A. The product is interesting because I 10:26:16</p> <p>6 tell Patrice Debrégeas. And as for me, I don't</p> <p>7 have any problems as far as I'm concerned. But as</p> <p>8 for the technical problems, it was to be clear with</p> <p>9 Adolfo de Basilio and tell him not to intervene.</p> <p>10 Similarly, management of the 10:26:46</p> <p>11 collaboration with Rimafar is your responsibility.</p> <p>12 That is what I want. That was the way of this. So</p> <p>13 for me, I'm not even going to look in detail these</p> <p>14 kind of things. The technical problems is for you</p> <p>15 to look at. That this has two consequences and I 10:27:15</p> <p>16 cannot tell -- first of all, I never went to the</p> <p>17 Rimafar plant in my life. And I can be out of</p> <p>18 order by dates because I'm totally unable to</p> <p>19 remember exactly because I was not following that.</p> <p>20 Q. Okay. 10:27:42</p> <p>21 A. But, however, I can tell you that the</p> <p>22 fact that I was writing this to my partner is rare</p>

13 (Pages 46 to 49)

<p>1 that I was writing things like that. It meant that 2 the agreement was still not signed and it was 3 beginning to create intellectual -- intellectual 4 problems for me, not because of Patrice Debrégeas 5 but because of the fact that the others -- the 6 others were not doing the work as we had planned, 7 even though it had been agreed that it was 8 necessary. 9 Q. Okay. And then, finally, then we'll go. 10 When you say that you've never been to 11 the Rimafar facilities -- 12 We should have marked on the -- 13 THE INTERPRETER: Neither had Belmac 14 or -- 15 BY MR. STEWART: 16 Q. Wait a minute. So you've never been to 17 the plant at Zaragoza, either when the plant was 18 owned by Rimafar or when the plant was owned by 19 Laboriatorious Belmac? 20 A. No, one plant before. 21 MR. STEWART: Okay. 22 Let's take our break.</p>	<p>Page 50 10:27:53 10:28:19 10:28:33 10:28:47 10:29:07</p>	<p>1 Q. And what is this document? 2 A. That's the document I was referring to 3 earlier when I said that some pages had been signed 4 and not the rest, and I see six pages, and that's 5 exactly six pages. 6 Q. Okay. Whose -- the agreement is between 7 on the -- as it -- as it shows on the first page 8 between Ethypharm S.A. Spain and Laboriatorious 9 Rimafar S.A.; is that right? 10 MR. BOSTWICK: Objection. 11 Characterization. 12 BY MR. STEWART: 13 Q. And I'll -- I'll make -- I'll make clear 14 that it is a draft of that. 15 A. Yes. 16 Q. Yes, okay. Whose handwriting appears on 17 the -- on the document? 18 A. Pérez de Ayala and Patrice Debrégeas, 19 right, Patrice Debrégeas. 20 Q. And Pérez de Ayala is listed as the 21 director general of Rimafar; is that right? 22 A. Yes, Rimafar is a purely Spanish</p>	<p>Page 52 10:41:13 10:41:39 10:42:04 10:42:21 10:42:45</p>
<p>1 THE VIDEOGRAPHER: This ends tape number 2 one of the Leduc deposition. The time is 10:29:05. 3 Off the record. 4 (Whereupon, at 10:29:05 a.m., a recess 5 was taken, and the proceedings resumed at 6 10:40:15 a.m., this same day.) 7 (Leduc Deposition Exhibit No. 5 was 8 marked for Identification.) 9 THE VIDEOGRAPHER: On the record with 10 tape number two of the testimony of Gérard Leduc in 11 the matter of Ethypharm versus Bentley 12 Pharmaceuticals. The date is July 15, 2006. The 13 time is 10:40:15. 14 BY MR. STEWART: 15 Q. Mr. Leduc, during the break, we've 16 marked a document with a date of November 29, 1991, 17 and the Spanish title is Contrato De Fabricación, 18 and it's been marked as -- okay. 19 And that this has been marked as Exhibit 20 5? Okay. 21 Do you recognize Exhibit 5? 22 A. Yes.</p>	<p>Page 51 10:29:14 10:29:21 10:40:17 10:40:33 10:41:07</p>	<p>1 company. 2 Q. Okay. And at the time that this -- at 3 the time that this document was initialed had the 4 United States Belmac Corporation purchased Rimafar 5 to your knowledge? 6 A. No, I don't think so. 7 Q. Have you had any contact with the U.S. 8 Belmac Corporation, later that became Bentley? 9 MR. BOSTWICK: Objection. Time frame. 10 BY MR. STEWART: 11 Q. At any time from November 29, 1991, 12 earlier. 13 A. Concerning Rimafar, no. 14 Q. Have you had any contact with Belmac 15 Corporation U.S., later Bentley, in any other 16 capacity? 17 A. When? 18 Q. 1991. 19 A. What I remember clearly is in the 20 discussions with the Belmac Corporation. And when 21 I say "Belmac," it's Belmac U.S. because I only see 22 one person in the U.S. It was the president,</p>	<p>Page 53 10:43:04 10:43:24 10:43:50 10:44:08 10:44:52</p>

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<p>1 first, with Jean-Francois Rossignol, who was in 2 Tampa I believe. Before the purchase of Rimafar, 3 yes, we discussed it with somebody I've known for 4 20 years. Jean-Francois Rossignol, I was 5 discussing it with him when it was with Carloerbe 6 in New York on other projects. 7 Q. Carlo? 8 A. Carloerbe. It's an Italian group. 9 Q. How do we spell Carloerbe? 10 A. C-A -- C-A-R-L-O-E-R-B-E. 11 But I don't see what that has to do with 12 what's the matter at hand. It's a completely 13 different subject. I don't know exactly when 14 Belmac Corporation bought Rimafar. But what I know 15 is that for all -- on all these important matters 16 concerning Spain, we were able to discuss jointly 17 with the U.S. 18 Q. Okay. Pérez de Ayala was the -- well -- 19 is -- was the director general of Rimafar at the 20 time of this draft agreement. Correct? 21 A. Yes. 22 Q. And he continued as director general</p>	<p>Page 54 10:45:03 1 BY MR. STEWART: 2 Q. To your knowledge did the U.S. Belmac 3 Corporation have any manufacturing facilities when 4 it purchased Rimafar? 5 A. When? 6 Q. In the United States. 7 A. I don't think it had an American 8 presence. They had headquarters that's for sure 9 and different laboratories. And I have developed 10 that product in India and in China. And Ethypharm 11 France is driving things there. 12 And the fact that you don't have a 13 facility in the United States doesn't mean that 14 you're not in charge of operations. But I don't 15 think they had manufacturing facilities in the U.S. 16 Q. Okay. Did Belmac Corporation U.S., to 17 your knowledge, have any -- was it in the business 18 of manufacturing microgranules? 19 A. No. 20 Q. Okay. Okay. 21 MR. STEWART: Do we have -- we're going 22 to mark a couple of exhibits.</p>
<p>1 after the U.S. Belmac Corporation acquired Rimafar. 2 Correct? 3 MR. BOSTWICK: Objection. Time frame. 4 THE WITNESS: Yes, I think so. 5 BY MR. STEWART: 6 Q. Okay. What was your first -- what was 7 your first contact with the U.S. Belmac Corporation 8 following the purchase of -- by Belmac Corporation 9 of Rimafar? 10 A. We had contacts I think -- and I think 11 with Rossignol. 12 Q. Who was -- who is Rossignol? 13 A. He was the president of Belmac before 14 Jim Murphy. And afterwards, with Mr. Murphy 15 directly. 16 Q. Do you have in mind a date of your first 17 contact with Belmac Corporation? 18 A. No. 19 Q. Okay. 20 MR. STEWART: (To Mr. Mingolla) Let's 21 have two documents but it came to three actually. 22 This one (indicating.)</p>	<p>Page 55 10:47:09 1 First, a -- another draft of a Contrato 2 De Fabricación with a fax cover posted, dated 3 March 31, 1992. The draft agreement date is 4 March 24, 1992. That would be six. 5 Oh, sorry. The translation should be 6 clipped. There you go. 7 Then a letter dated June 23, 1992, from 8 Mr. Leduc. 9 And a letter -- a facsimile transmission 10 from Angel Pérez de Ayala to Mr. Leduc. 11 (Leduc Deposition Exhibit Nos. 6 12 through 8 were marked for 13 Identification.) 14 BY MR. STEWART: 15 Q. Mr. Leduc, you're aware that at some 16 time after U.S. Belmac Corporation acquired Rimafar 17 that Rimafar's name was changed to Laboratorios 18 Belmac S.A.; is that correct? 19 A. Yes. 20 Q. Okay. And have you -- if you take a 21 look at the document we've marked as Exhibit 6, 22 dated March 24, 1992.</p>

15 (Pages 54 to 57)

<p>1 A. Yes.</p> <p>2 Q. Do you know who prepared this document?</p> <p>3 A. No.</p> <p>4 Q. Did you ever review it?</p> <p>5 A. I probably have read it, yes. I don't</p> <p>6 recall.</p> <p>7 Q. And was -- was this document ever signed</p> <p>8 to your knowledge?</p> <p>9 A. I don't think it was signed but I'm not</p> <p>10 sure.</p> <p>11 Q. Okay.</p> <p>12 A. If I read now, I think some things are</p> <p>13 missing, so I don't think it was signed like this.</p> <p>14 Q. Okay. What was your responsibility with</p> <p>15 respect to contracts of this type?</p> <p>16 MR. BOSTWICK: Objection. Vague. And</p> <p>17 time frame.</p> <p>18 MR. STEWART: The time frame I will put</p> <p>19 in 1992.</p> <p>20 MR. BOSTWICK: My other objection</p> <p>21 stands.</p> <p>22 THE WITNESS: For manufacturing</p>	<p>Page 58 10:53:55</p> <p>1 Belmac Corporation U.S.A.?</p> <p>2 A. Okay. I did make that, kind of,</p> <p>3 comment, but I indicated in my letter that -- I</p> <p>4 said in my letter that things weren't in agreement,</p> <p>5 that Pérez de Ayala was sending us things that</p> <p>6 obviously were discussed with the United States.</p> <p>7 The big difference was that before</p> <p>8 Rimafar was in Spain and now you always had to</p> <p>9 wait, there were always gaps. It was clear that</p> <p>10 things had to be discussed with the United States,</p> <p>11 it was the only solution. Nothing was happening</p> <p>12 anymore in Spain. They had lost -- that had lost</p> <p>13 the autonomy because their mother company had</p> <p>14 changed their name.</p> <p>15 Q. My question is: Did you ever consider</p> <p>16 having Belmac Corporation U.S. be part of the</p> <p>17 manufacturing agreement?</p> <p>18 A. At that time, no. There was no reason.</p> <p>19 The strategy and decisions were made both by Paris</p> <p>20 and by the United States. And the music was played</p> <p>21 in Spain. It's just like writing a score, and then</p> <p>22 after that, you have musicians who played, and</p>
<p>1 contracts, I was taking a look at them and was</p> <p>2 giving my agreement. But the manufacturing</p> <p>3 portion, like I indicated before, was not something</p> <p>4 I was supervising; that the legal issues and the</p> <p>5 know-how and the coverage and partition that, yes,</p> <p>6 I was looking at very thoroughly. And that's the</p> <p>7 tenor of my reply of June 23rd.</p> <p>8 BY MR. STEWART:</p> <p>9 Q. So was it your -- was it understood</p> <p>10 in -- in Ethypharm that contracts of this type</p> <p>11 needed your approval before they would be signed?</p> <p>12 MR. BOSTWICK: Pardon me. Same</p> <p>13 objections.</p> <p>14 THE WITNESS: It's not as formal as</p> <p>15 this, but, let's say, that I have to look at them,</p> <p>16 and if I had comments about that, yes, I was</p> <p>17 supposed to make my comments.</p> <p>18 BY MR. STEWART:</p> <p>19 Q. Did you make any comment that this</p> <p>20 document was to be signed between Ethypharm S.A.</p> <p>21 and Laboratorios Belmac S.A. and not between</p> <p>22 Ethypharm S.A. and Laboratorios Belmac S.A. and</p>	<p>Page 59 10:55:36</p> <p>1 that's exactly that.</p> <p>2 But it was considered later, because</p> <p>3 several years later Jim Murray asked us if it was</p> <p>4 possible to have an agreement with a transfer to</p> <p>5 the United States. The same thing, if you had had</p> <p>6 a company in Scandinavia, I assume it's the United</p> <p>7 States would have asked us. That's normal.</p> <p>8 Q. I don't understand that last part.</p> <p>9 Would have asked what?</p> <p>10 A. That's an example, when you transfer</p> <p>11 know-how, you will discuss with a mother company</p> <p>12 the technique and the detail. You do that with a</p> <p>13 subsidiary, but the -- all the -- all the important</p> <p>14 things other than the mother company. Even if it</p> <p>15 is signed locally, that doesn't change anything.</p> <p>16 I want to make a comment at this level.</p> <p>17 It is so obvious that I'm wondering why the</p> <p>18 question was asked three or four times.</p> <p>19 Q. Which question was that?</p> <p>20 A. Why you were discussing with the United</p> <p>21 States and why it was not done only with Spain.</p> <p>22 It's as simple as that. All of the questions bring</p>

16 (Pages 58 to 61)

<p>Page 62 11:02:54</p> <p>1 back to that point. When the Rimafar or Belmac 2 Spain sends something for an agreement, it's always 3 France that receives them and discusses them. 4 Q. Well, I'm a little lost in terms of your 5 question to me but let me -- let me go on. 11:03:19 6 At the time of Exhibit 6, March of 1992, 7 had you had any discussions of any kind with Jim 8 Murphy? 9 A. I don't recall. I don't think he had -- 10 he was there at that time. 11:03:56 11 Q. Okay. Let's turn to Exhibit 7 I think 12 you have in front of you. 13 A. (In French) Oui. 14 Q. In the letter would you read, please, 15 the fourth paragraph. Actually, let's start with 11:04:16 16 the third paragraph. 17 MR. BOSTWICK: To himself? 18 MR. STEWART: No, out loud please. 19 MR. BOSTWICK: You want him to read that 20 in French out loud? 11:04:35 21 MR. STEWART: Yes, I just want to have 22 the translation to make sure we're set on that.</p>	<p>Page 64 11:06:22</p> <p>1 Spain, we were discussing but there was no 2 possibility. 3 Q. I'm sorry, what was that, the reason? 4 THE INTERPRETER: The reason was a 5 blocked situation, the situation in Spain -- 11:06:30 6 Q. Once blocked? 7 THE INTERPRETER: -- we were discussing, 8 there was no possibility. 9 THE WITNESS: (In English) No decision 10 from the Spanish. 11:06:35 11 BY MR. STEWART: 12 Q. Would you look at the fax from Mr. Pérez 13 de Ayala to mister -- to yourself Mr. Leduc, 14 Exhibit 8. 15 Is this Mr. Pérez de Ayala's response to 11:06:59 16 your letter of -- to your fax of June 23, 1992? 17 A. Yes, it's a reply. 18 Q. And did you ever receive a response from 19 Belmac Corporation in the United States? 20 A. I cannot confirm or not. What I know is 11:07:43 21 that I finally got -- well, seen y'all at one time 22 or another that's for sure.</p>
<p>Page 63 11:04:45</p> <p>1 MR. BOSTWICK: I'm just -- 2 BY MR. STEWART: 3 Q. "I suggest you insisting with." 4 A. "I suggest you insist with 5 Mr. Jean-Francois Rossignol so that I can finally 11:04:47 6 have a direct relationship to settle this issue. I 7 have left many messages at Belmac, both in France 8 and the United States for more than three months 9 without having any feedback." 10 Q. Okay. Who did you -- who did you leave 11:05:17 11 the messages with in Belmac in France? 12 A. I think I requested a conversation with 13 Jean-Francois Rossignol. 14 Q. Did you -- did the U.S. Belmac 15 Corporation have an office in France? 11:05:42 16 A. They had a subsidiary in France, yes. 17 Q. Okay. And who did you leave messages 18 with at Belmac Corporation in the U.S.? 19 A. Suddenly the same thing, to try to have 20 Rossingol on the phone. 11:06:09 21 Q. Okay. And turn -- 22 A. The reason, a blocked situation in</p>	<p>Page 65 11:08:12</p> <p>1 Q. Take a look at the letter that Mr. Pérez 2 de Ayala wrote to you. Paragraph -- he has a point 3 sixth, I think he calls it. And I'm -- I will read 4 that to you and you could, perhaps, translate that. 5 All right? 11:08:36 6 "The relationship between Rimafar and 7 Ethypharm is previous to the appearance of our 8 president Mr. Rossignol and I am obliged to clarify 9 this point myself." 10 What -- what did you understand him to 11:08:59 11 mean by that? 12 A. I understood by that, I'm still the one 13 in charge of the relationship and we must move 14 forward, and I'm still in charge. 15 Q. That is Mr. Ayala saying he was -- 11:09:29 16 A. (In English) Yes. 17 Q. -- still in charge? 18 A. Yes. 19 Q. Let's turn to, let's see, Manifesta. 20 The fax cover sheet of October 11, 1992, from 11:09:45 21 Adolfo Basilio -- de Basilio with an attached 22 document called Manifesta.</p>

17 (Pages 62 to 65)

<p>1 (Leduc Deposition Exhibit No. 9 was 2 marked for Identification.) 3 BY MR. STEWART: 4 Q. Okay. Do you recognize that exhibit -- 5 that Mr. de Basilio's fax was addressed to 11:10:44 6 Mr. Debrégeas and yourself, Mr. Leduc? 7 A. Yes. 8 Q. And can you tell us what this -- what 9 this Manifesta -- Manifesta was? 10 A. Two things. I don't see any handwritten 11:11:17 11 things by me. I see one from Patrice. I don't see 12 anything from me. It is about the communication of 13 a purely technical elements, at least machinery to 14 be used for manufacturing and technical documents, 15 completely technical, as a type of agreement that 11:12:00 16 is normal to do locally. And I question the fact 17 that they had to look very thoroughly at these 18 kinds of things. 19 Q. So did you say that you -- that you -- 20 THE INTERPRETER: I doubt -- he doubts 11:12:27 21 the fact. 22 MR. STEWART: You doubt that you.</p>	<p>Page 66 11:10:04 1 THE WITNESS: Since I never went there, 2 it's a little difficult. But I imagine there might 3 have been something like between 70 and 120, 130 4 people. 5 BY MR. STEWART: 11:14:13 6 Q. And as I understand it, Ethypharm had 7 supplied machinery for the manufacturer of micro 8 pellets; is that correct? 9 A. Probably, yes. Again, I cannot get into 10 the details of the technical part but I believe 11:14:41 11 it's correct. 12 Q. Okay. In addition to that -- that 13 machinery, are you aware of what other machinery 14 Laboratorious Belmac had at Zaragoza? 15 A. No, same answer. I do not -- I know 11:14:57 16 nothing about that. 17 Q. Would you describe, please, the 18 financial arrangements between Laboratorious 19 Belmac and -- and Ethypharm. Who was being paid 20 for what? 11:15:19 21 MR. BOSTWICK: Objection. Vague. And 22 time frame.</p>
<p>Page 67 11:12:32 1 THE INTERPRETER: That's right. Doubts. 2 MR. STEWART: Okay, fine. 3 BY MR. STEWART: 4 Q. Who was going to be -- which company was 5 going to be the production of the pharmaceutical 11:12:35 6 products of Ethypharm? 7 A. By law, it was the ones who were holding 8 a fee chart, so it was a Spanish company. There 9 was no way to do it otherwise. 10 Q. So that would have been Laboratorious 11:13:06 11 Belmac? 12 A. Yes, it was total obligation. 13 Q. Okay. And Laboratorious Belmac had a 14 manufacturing facility in Zaragoza, Spain. 15 Correct? 11:13:22 16 A. Yes. 17 Q. What was your understanding as to the 18 number of employees that Laboratorious Belmac had 19 at the plant and at its headquarters from -- at any 20 time from 1992 to 2002? 11:13:35 21 MR. BOSTWICK: Objection. Form. 22 Ambiguous.</p>	<p>Page 69 11:15:29 1 MR. STEWART: The time frame is -- let's 2 take it -- I'm interested in the financial 3 arrangements from 1992 through 2002. I understand 4 they may have changed. 5 MR. BOSTWICK: Same objection. 11:15:46 6 BY MR. STEWART: 7 Q. Can you answer my question? 8 A. I'm going to answer on a general level. 9 When one does a contracting agreement with someone, 10 you try to understand what price they're going to 11:16:11 11 be able to manufacture, given their local labor 12 costs, and you try to negotiate something where 13 both have an acceptable margin. And this after 14 that is translated into either royalties or -- 15 THE WITNESS: (In English) Margin. 11:16:56 16 THE INTERPRETER: Margin. 17 THE WITNESS: In the case of Belmac 18 Spain, there was an important additional element. 19 They had understood that the -- all the product 20 that we were developing was very important for the 11:17:14 21 Spanish market. 22 And they quickly -- they quickly</p>

18 (Pages 66 to 69)

<p>1 discussed the fact that they could have the 2 manufacturing for -- for their own products. There 3 was a very high interest for us for their classical 4 Spanish -- for them, yeah, for them, sorry, for 5 them for their classical Spanish business. 11:17:46 6 BY MR. STEWART: 7 Q. When you say classical Spanish 8 business -- 9 THE INTERPRETER: They're unusual or 10 they're normal. 11:17:54 11 THE WITNESS: Yeah, generics were their 12 important business. 13 BY MR. STEWART: 14 Q. What was your understanding of their, as 15 you put it, their classical business, their usual 11:18:07 16 business? 17 THE INTERPRETER: What was that? 18 BY MR. STEWART: 19 Q. What -- what is -- what is -- what is 20 your understanding, Mr. Leduc? 11:18:15 21 MR. BOSTWICK: Objection. Vague. 22 THE WITNESS: Their classical activities</p>	<p>Page 70 11:17:27 1 manufacturing -- to manufacture in acceptable 2 quantities. And then we agree on the role by which 3 you have one part of the margin and we have the 4 other part. 5 At this point, I hope since you asked 11:20:34 6 your question, about which you have complete 7 knowledge, you understand the difference between 8 having a registration with a department with 9 registration papers and being able to manufacture 10 the product, which is completely different. 11:21:06 11 Because in the case of Omeprazole with 12 Rimafar, I believe had the technical documents that 13 were coming from a third party. 14 BY MR. STEWART: 15 Q. For manufacturer or for registration? 11:21:29 16 A. For both. That means they didn't have 17 the technology. They had the registration know-how 18 but not the manufacturing know-how. What was 19 missing was the manufacturing, that was the 20 interest for us to have that. 11:21:59 21 Q. You've -- you've gone into an area which 22 I am going to pursue not long but --</p>
<p>Page 71 11:18:28 1 was the manufacturing of generic products for the 2 Spanish market and then to be able to do it for 3 other territories outside. They always wanted to 4 do that. 5 BY MR. STEWART: 11:18:40 6 Q. So what I'm -- what I'm trying to 7 understand, and I have some knowledge of it but not 8 complete, what were the elements of the -- of the 9 deal between Ethypharm and Ethypharm Spain? 10 MR. BOSTWICK: Objection. 11:19:07 11 Characterization and form. 12 THE WITNESS: (In English) Saint Paul, 13 we give you -- we transfer to you all the details 14 out to the manufacturing of several products, 15 including Omeprazole. We give you also -- 11:19:37 16 (Through the Interpreter) We'll transfer 17 to you what is necessary for the manufacturing of 18 several products. The same thing for all that is 19 related to manufacturing. We are able to tell you 20 which machine to use, et cetera. 11:19:54 21 The same thing for analytical 22 techniques. Then you tell us what it costs to</p>	<p>Page 73 11:22:08 1 A. (In English) Okay. 2 Q. -- before we do that, I want to finish 3 our discussion regarding the financial deal? 4 A. (In English) Please go ahead. 5 Q. Okay. The -- as I understand it, 11:22:16 6 Ethypharm sold finished micro pellets of Omeprazole 7 to Laboratorios Belmac so that it could sell to 8 its own customers; is that correct? 9 THE INTERPRETER: Did you say Belmac 10 Spain? 11:22:51 11 MR. STEWART: Laboratorios Belmac. 12 THE WITNESS: No. 13 BY MR. STEWART: 14 Q. No. Did Ethypharm sell Belmac -- 15 sell -- sell anybody tablets that it had -- that 11:23:05 16 Belmac had manufactured? 17 A. First of all, it's a little upsetting 18 that there's no tablets. We've been talking about 19 capsules from the beginning. 20 Q. Sorry, sorry. No, I -- 11:23:32 21 A. He said the basic problem so. 22 Q. No, I should have -- I should have</p>

19 (Pages 70 to 73)

<p>1 corrected it myself. I knew that. Okay. Sorry. 2 Okay. So -- 3 A. The pattern is exactly opposite to what 4 described in the -- at first. We just left out the 5 equipment to do the manufacturing, the registration 6 of the products, et cetera. And for our -- 7 Q. Yes. 8 A. -- Spanish customers, we had to 9 manufacture locally, and Belmac had to too, and 10 that's what they did actually. They could not sell 11 to third parties. They had to sell directly to our 12 customers or to customers if they found some, but 13 with our agreement. And their interest was to have 14 this publication margin because, for us, Belmac 15 Rimafar was a manufacturing plant, nothing else. 16 As such, we gave them later a list of 17 our customers and prices and putting forth some 18 experts, like we did. And that's the parent. 19 Q. All right. When you say that Ethypharm 20 had to manufacture locally, as I understand it, 21 that means that Ethypharm needed to have a Spanish 22 manufacturing facility; is that right?</p>	<p>Page 74 11:23:38 1 MR. BOSTWICK: Objection. Time frame. 2 BY MR. STEWART: 3 Q. And between -- 4 A. Yes. 5 Q. -- 1990 -- at any time between 1992 and 6 2002. 7 A. At any time, I don't know. But at this 8 other time, yes. Yeah, there were these products 9 and I think they had started a registration within 10 an agreement that they could not make these 11 products with Andromaco or STV, I don't remember, 12 our competitors. 13 Q. Did you say that they did -- that 14 they -- that -- that Belmac was entering into 15 agreements with your competitors? 16 A. I think they had agreements for the 17 registration before they had asked to be able to 18 use our -- okay, yeah. Before -- before being able 19 to use our manufacturing for their products. 20 Q. But at some point did Ethypharm agree 21 that it would sell to Belmac, sell to 22 Laboratorious Belmac, the Omeprazole product for</p>
<p>Page 75 11:26:22 1 A. Yes, or have an agreement with the 2 Spanish manufacturer. 3 Q. Okay. And was there a certificate? Was 4 there a license that, or some other official 5 document, that Belmac needed, Laboratorious Belmac 6 needed, from the government of Spain? 7 MR. BOSTWICK: Objection. Vague. 8 THE WITNESS: Of course. A fecha. 9 BY MR. STEWART: 10 Q. A fecha? 11 A. I am unable to translate. 12 Q. Okay. 13 A. In Spanish it's called a fecha. 14 Q. Okay. And -- 15 A. These are things that could be 16 purchased. It was expensive at the time but. 17 Q. Okay. And Belmac -- Laboratorious 18 Belmac had that fecha? 19 A. Yes. 20 Q. Okay. Now I understand that 21 Laboratorious Belmac marketed its own brand of 22 Omeprazole called Belmazol.</p>	<p>Page 76 11:27:41 11:27:45 11:28:14 11:28:35 11:29:19 Page 77 11:29:33 11:30:09 11:30:50 11:31:44 11:32:12 1 them to, in turn, sell to Laboratorious Belmac 2 customers? 3 A. In pharmacy, first of all, when you 4 change manufacturing and manufacturing is not the 5 same you have to file these verifications with the 6 departments. When they asked us and they said we 7 purchase from third parties, so I think it was just 8 like the launch. I'm not absolutely sure. And 9 they probably came to see us and they said we know 10 the Spanish market. We can probably bring you 11 customers. Why not discuss this? And that's all. 12 Q. Did Ethypharm ever sell Omeprazole to 13 Laboratorious Belmac for its own use? 14 MR. BOSTWICK: Objection. Vague. 15 THE WITNESS: This has been definitely 16 discussed when Belmac saw that we had developed a 17 very stable formulation using water instead of the 18 organic exceipient. And knowing that, in pharmacy, 19 organic exceipients disappear more and more for 20 environmental reasons and also for toxicity 21 reasons. 22 And they asked us if it would be</p>

20 (Pages 74 to 77)

<p>1 possible to have a new transfer for this 2 formulation. And we clearly answered that if they 3 were interested we would do it, but based on 4 manufacturing made in France, because we had all 5 the equipment to make this -- to do this 6 manufacturing in France. 7 The problem was that -- the problem was 8 I believe for Spain because you probably have in 9 your files the fact that Jim Murphy also made a 10 request. He was in interested for the United 11 States. 12 BY MR. STEWART: 13 Q. All right. Let me get back to some 14 hopefully simple terms. 15 Did Ethypharm Spain receive invoices 16 from Laboratorious Belmac for payment? 17 A. Probably. But why? I don't know. 18 Maybe we invoiced for excepients or -- perhaps, 19 also, that there was the issue of sharing the 20 margin. So we had to -- to issue invoices. 21 So that during that time, from 1992 22 through 2000, the relationships are directed by</p>	<p>Page 78 11:32:27 11:32:47 11:33:11 11:33:39 11:34:25 11:34:55 11:35:13 11:35:55 11:36:39 11:36:56</p> <p>1 sold what to whom and what moneys were obtained? 2 That's all I want to know. 3 MR. BOSTWICK: Objection. Vague. 4 THE WITNESS: I already answered the 5 same question -- 6 MR. STEWART: Okay. 7 THE WITNESS: -- ten minutes ago. 8 BY MR. STEWART: 9 Q. Okay. All right. Did Ethypharm ever 10 ship any product to Belmac Corporation U.S. or to 11 Bentley in the United States? 12 A. I don't know. What I know is that when 13 we discussed the possibility of license one 14 American laboratory was -- that was -- 15 THE INTERPRETER: The name? 16 THE WITNESS: Burks, Manuel & Rosel. 17 There was somebody with us, supplier of 18 raw materials. And were mentioned that if the 19 product was to come from Spain the lab had to -- 20 the lab had to inspect at our contractor's Belmac. 21 Some time later we were surprised to see 22 that Bentley was making proposals, no, not making</p> <p>Page 80 11:37:10 11:37:29 11:37:41 11:38:25 11:39:02</p>
<p>1 Claude Dubois but also by the financial director. 2 Q. What's his name? 3 A. Erique Igonet. And I don't know the 4 detail of -- the details of invoicing between the 5 two companies. 6 Q. Did -- did Ethypharm ever receive an 7 invoice from U.S. Belmac Corporation or later from 8 Bentley Pharmaceuticals for anything? 9 A. I don't think there had been any 10 invoice. But what was clear -- what was clear when 11 we had the dissolution of rules or the distribution 12 of new technologies, et cetera, Murphy would come 13 and see Pierre Germain, Claude Dubois, and myself 14 two or three times in Paris. So the rules were set 15 in as detailed a way as possible but, once again, 16 the music was played in Spain. 17 Q. All right. Right now, all I want to 18 know is, is what were the rules? Regardless of who 19 set the rules, I just -- I just want to hear a 20 clear statement of what were the -- what were the 21 terms between Ethypharm and Laboratorious Belmac, 22 regardless of who set the terms, in terms of who</p>	<p>Page 79 11:34:55 11:35:13 11:35:55 11:36:39 11:36:56</p> <p>1 proposals. They were doing advertisement saying 2 that they had the ability to manufacture 3 Omeprazole. And we saw signs of the American 4 market that there were proposing to license 5 generics in the United States. 6 MR. STEWART: Can I have my question 7 back to Mr. Leduc please before this answer. 8 (Whereupon, the court reporter read back 9 the pertinent portion of the record.) 10 BY MR. STEWART: 11 Q. Do you have my question? What is the 12 answer to my question? 13 A. What did I answer? 14 (Whereupon, the court reporter read back 15 the previous answer.) 16 THE WITNESS: (In English) No, before. 17 A little bit before I said something. 18 (Whereupon, the court reporter read back 19 the pertinent portion of the record.) 20 BY MR. STEWART: 21 Q. So I don't know? Is that your answer to 22 -- was that your answer to my question?</p> <p>Page 81 11:39:27 11:39:53 11:40:00 11:47:24 11:41:23</p>

21 (Pages 78 to 81)

<p>1 (Whereupon, the court reporter read back 2 the pertinent portion of the record.) 3 A. I don't know. 4 Q. You don't know? 5 A. (In English) No. I don't believe the -- 6 Q. Do you have any information which would 7 suggest to you that Bentley Pharmaceuticals, Inc. 8 ever shipped any product to Ethypharm? 9 A. Why -- why would Bentley ship products 10 to Ethypharm? 11 Q. I have no idea. I'm asking you -- I'm 12 asking you whether you have any information that 13 Bentley Pharmaceuticals, Inc., ever shipped product 14 to Ethypharm? 15 A. It's impossible. It's impossible. They 16 are not the ones who manufacture but they was the 17 ones who were deciding whether or not Spain would 18 manufacture for on our behalf. 19 MR. STEWART: Okay. Why don't we take 20 just about 10 minutes. Okay? 21 MR. BOSTWICK: Okay. 22 THE VIDEOGRAPHER: The time is 11:42:24.</p>	<p>Page 82 11:41:24 11:41:26 11:42:12 11:42:34</p>	<p>1 Q. What years were those? 2 A. Between '96, '97, and 2002, I think. It 3 was essentially people from my side who are 4 managing the normal contacts between both sides. 5 And then, again, contacts with Jim Murphy when he 6 appeared with the Belmac Corporation and then 7 Bentley in the United States. 8 (Interrupted translation.) 9 Q. Before we get -- before we get to Jim 10 Murphy, let me -- let's go back to Laboratorious 11 Belmac, okay? How about -- how about -- 12 A. Mr. Ariard (phonetic), I don't remember 13 if it was somebody from -- 14 Q. My -- just we're getting a little -- 15 THE INTERPRETER: Okay. 16 Q. -- at least I'm -- and we're getting a 17 little off with my question. 18 I'm looking for contacts that you had 19 with people at Laboratorious Belmac in the period 20 1992 to 2000. And you've told me Perez de Ayala. 21 Did you have any contact with Clemente 22 Gonzalez?</p>	<p>Page 84 11:55:19 11:56:23 11:56:35 11:57:03 11:57:14</p>
<p>1 Off the record. 2 (Whereupon, at 11:42:24 a.m., a recess 3 was taken, and the proceedings resumed at 4 11:53:27 a.m., this same day.) 5 THE VIDEOGRAPHER: On the record. 6 The time is 11:53:27. 7 BY MR. STEWART: 8 Q. Mr. Leduc, would you tell me, please, 9 the people at Laboratorious Belmac in Spain that 10 you had contact with? 11 MR. BOSTWICK: Objection. Time period. 12 THE WITNESS: When? 13 BY MR. STEWART: 14 Q. From 1992 to 2002. 15 A. Perez de Ayala. 16 Q. And who was he again? 17 A. The general manager of Buenos Aires, and 18 later on Bill McSpain. Originally, there was 19 somebody from Onepuik (phonetic). I don't 20 remember the name. Then the contacts, there were 21 several years where I didn't have any precise 22 contacts with -- with Spain but.</p>	<p>Page 83 11:42:40 11:53:38 11:53:59 11:54:22 11:54:48</p>	<p>1 A. It's a name that I know, we probably 2 discussed once or twice when he was at meetings, 3 but he was not my -- he wasn't my regular party. 4 Q. Okay. Did you have contact with Adolfo 5 Herrera? 6 A. That, yes. 7 Q. Okay. And he was the director general 8 of Laboratorious Belmac after Clemente Gonzalez. 9 Correct? 10 A. Yes. 11 Q. Did you have any contact with Fernando 12 Berenguer? 13 A. I got back in contact with the Bentley 14 subsidiary when it became clear that there was 15 going to be a serious problem. At that time 16 Herrera, yes. 17 Q. I'm sorry, I don't know that name. How 18 do you -- how do you spell that? 19 THE INTERPRETER: Herrera? 20 THE WITNESS: (In English) Adolfo 21 Herrera. 22 BY MR. STEWART:</p>	<p>Page 85 11:57:48 11:58:02 11:58:17 11:58:48 11:59:00</p>

22 (Pages 82 to 85)

<p>1 Q. Oh, Adolfo Herrera, okay. 11:59:04</p> <p>2 A. Herrera.</p> <p>3 THE INTERPRETER: Yes, sir.</p> <p>4 BY MR. STEWART:</p> <p>5 Q. Go ahead. 11:59:21</p> <p>6 A. The second name that you mentioned, I</p> <p>7 think somebody who came to the meeting that I saw</p> <p>8 for the first time and the only time at a meeting</p> <p>9 came with an American attorney Mr. Meyer. I</p> <p>10 remember him very well, and if that's the name, I'm 11:59:49</p> <p>11 not sure of the name, but if that's the same</p> <p>12 person, because he told me very clearly, if you</p> <p>13 want to have an accident in Spain, I am very</p> <p>14 powerful and you will get absolutely nowhere. And</p> <p>15 when somebody tells me you will get nowhere, that 12:00:22</p> <p>16 gives us the idea of doing something.</p> <p>17 Q. And was that idea to sue Bentley in the</p> <p>18 United States?</p> <p>19 A. He clearly told me you can do nothing in</p> <p>20 Spain. I believe he paused because I don't see why 12:00:40</p> <p>21 we would have done anything more than for the</p> <p>22 patent in Spain, because it was clear that what</p>	<p>Page 86</p> <p>1 the one who was coming from Juan Bulonk? 12:02:34</p> <p>2 Q. No, no.</p> <p>3 A. (In English) No.</p> <p>4 Q. This is an employee -- this is an</p> <p>5 employee of Laboratorious Belmac. Okay. 12:02:39</p> <p>6 A. It's a name that I know but I don't know</p> <p>7 what I did with him.</p> <p>8 Q. Okay. Mateo Gasca?</p> <p>9 A. No.</p> <p>10 Q. Antonio Cabodevilla? 12:02:53</p> <p>11 A. No.</p> <p>12 Q. No, okay. Juan Carlos Asensio?</p> <p>13 A. No.</p> <p>14 Q. Okay. What was your involvement, if</p> <p>15 any, in negotiating the financial terms between 12:03:12</p> <p>16 Laboratorious Belmac and Ethypharm?</p> <p>17 MR. BOSTWICK: Objection. Vague.</p> <p>18 THE WITNESS: I was not involved.</p> <p>19 Again, it was making the calculations and the basis</p> <p>20 of the negotiation was made from the indications 12:03:44</p> <p>21 given by -- from information given by Igonet.</p> <p>22</p>
<p>Page 87</p> <p>1 Bentley was after was the technology and say that 12:01:10</p> <p>2 it was theirs and that was outside Spain and that's</p> <p>3 all.</p> <p>4 Q. You've given me three -- three names of</p> <p>5 people that you had contact with at Laboratorious 12:01:23</p> <p>6 Belmac?</p> <p>7 A. Yes, I give you three names that I</p> <p>8 remember. I probably met others.</p> <p>9 MR. BOSTWICK: Objection. I think he</p> <p>10 said four. But are you -- you all have gone over 12:01:40</p> <p>11 four.</p> <p>12 MR. STEWART: There was another person,</p> <p>13 but he was an employee --</p> <p>14 MR. BOSTWICK: Okay. I just want to --</p> <p>15 MR. STEWART: -- of some other company. 12:01:51</p> <p>16 MR. BOSTWICK: -- object for the record.</p> <p>17 BY MR. STEWART:</p> <p>18 Q. Just so that I -- that I have it, that</p> <p>19 we're clear, did you have any communication with a</p> <p>20 man named Monterde? 12:02:02</p> <p>21 A. That's the name that's -- rings a bell,</p> <p>22 but is it somebody who has previously -- is that</p>	<p>Page 89</p> <p>1 BY MR. STEWART: 12:03:53</p> <p>2 Q. Okay. Tell me all the people at Bentley</p> <p>3 Pharmaceuticals that you had communications with?</p> <p>4 A. When?</p> <p>5 Q. I'm interested in the period from 1992 12:04:17</p> <p>6 through 2002. And I understand that Bentley was</p> <p>7 Belmac Corporation. To make it simple, all those</p> <p>8 people that you believed were employed by Belmac --</p> <p>9 let me withdraw that. That could get us into --</p> <p>10 never mind. 12:04:45</p> <p>11 Let me -- let's go back.</p> <p>12 A. It's a simple answer.</p> <p>13 Q. Okay. Let me pose the question and then</p> <p>14 we'll have the answer, all right?</p> <p>15 Tell me all the people that you had 12:05:02</p> <p>16 communications with at Bentley Pharmaceuticals.</p> <p>17 A. As with -- as with all the customers,</p> <p>18 it's the president generally, and his secretary.</p> <p>19 And I have no reason to have contacts with any</p> <p>20 other than that. 12:05:24</p> <p>21 Q. And who was that?</p> <p>22 A. I remember having contacts with Austin</p>

23 (Pages 86 to 89)

<p>1 Young. I remember having a contact with an Italian 2 man, whose name I don't remember. And I think he 3 was in charge of the -- all of the business in 4 Europe. And 95 percent of the contacts were, I 5 believe, Jim Murphy. 12:05:59 6 Q. Anyone else? 7 A. No, not that I remember. 8 Q. How many times did you -- how many times 9 did you meet with Mr. Murphy? 10 A. I believe I met him for serious 12:06:41 11 discussions approximately four times. 12 Q. And was that between -- 13 A. I also saw him one maybe two or three 14 times in the -- on the premises of Ethypharm in 15 France. But I just -- just, at that time, simply 12:07:03 16 said hello and two or three words. There were so 17 many present, so there was no reason to. 18 Q. And this was from the time period of 19 1995 to 2002? 20 A. Yes. 12:07:28 21 Q. Okay. And approximately how many times 22 do you recall talking to Mr. Murphy on the</p>	<p>Page 90 12:05:31 1 really no reason. 2 BY MR. STEWART: 3 Q. Sure, okay. Did you ever discuss with 4 Jim Murphy the formula that was being used in the 5 manufacturer of Omeprazole and Lansoprazole? 12:09:53 6 MR. BOSTWICK: Same objection. 7 THE WITNESS: I don't see the reason why 8 we would have discussed a technical problem like 9 this. Jim knew perfectly that taking Jim the 10 formulation were housed, so why would he have asked 12:10:27 11 us what do you think of this formulation. 12 BY MR. STEWART: 13 Q. That all may be, but I -- all I need to 14 know is whether you have a memory of discussing 15 with Jim Murphy a formula for manufacture of 12:10:43 16 Omeprazole or Lansoprazole? 17 MR. BOSTWICK: Objection. Asked and 18 answered. 19 THE WITNESS: No. 20 BY MR. STEWART: 12:10:52 21 Q. No? 22 A. No.</p>
<p>1 telephone in the same period? 12:07:36 2 A. Approximately, the same number of times. 3 Q. Approximately, four times for serious -- 4 A. Four or five times, yes. But in those 5 cases, I don't need to say hello because we are to 12:08:05 6 discuss problems. 7 Q. I'm sorry. It was or was not to say 8 hello? 9 A. It was not to say hello. 10 Q. It was not to say hello. 12:08:16 11 A. It was to discuss problems. 12 Q. Okay. When did you start using e-mail, 13 if ever? 14 A. Five, six, seven years ago. But I'm the 15 only one not using it directly, always with a 12:08:49 16 secretary, never directly. In other words, he 17 cannot find an e-mail coming directly from Gérard 18 Leduc to somebody on the -- from the outside. 19 Q. Did you ever discuss with Jim Murphy 20 production methods? 12:09:24 21 MR. BOSTWICK: Objection. Vague. 22 THE WITNESS: No, no. But there was</p>	<p>Page 93 12:10:54 1 Q. Okay. Did you ever discuss with Jim 2 Murphy the type of machinery that was being used to 3 manufacturer Omeprazole, Lansoprazole, or 4 pharmaceuticals products for Ethypharm? 5 MR. BOSTWICK: Object on vagueness 12:11:35 6 grounds. 7 THE WITNESS: Not in detail but the -- 8 not in detail, but the matter of the investment of 9 the volume to be invested, that's something he 10 probably discussed with me. Whether or not it was 12:12:00 11 to be a hundred thousand dollars or \$2 million, but 12 he probably discussed that with me but I cannot 13 confirm. 14 BY MR. STEWART: 15 Q. Okay. Did you discuss with Jim Murphy 12:12:10 16 financial terms between -- let me withdraw that. 17 Did you discuss with Jim Murphy the 18 price to be charged per thousand doses of 19 pharmaceutical product? 20 A. No, not the price, but the method by 12:12:35 21 which we could reach an agreement to share the 22 margin, that I discussed with him. And part of</p>

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<p>1 A. There have been discussions with Igonet, 2 Adolpho, then a general director, I don't remember 3 the name, who had proposed -- oh, yes -- three 4 ways --</p>	<p>Page 95 12:14:31</p>	<p>1 discussions, at least three or four discussions 2 with Pierre Germain.</p>	<p>Page 97 12:18:25</p>
<p>5 (In English) To split the margins. 6 (Through the Interpreter) -- to split 7 the margins. There were royalties and fixed fees 8 for those --</p>	<p>12:14:42</p>	<p>3 Q. Discussions that Murphy had with Pierre 4 Germain?</p>	<p>12:18:43</p>
<p>9 (Interrupted translation.) 10 Q. Was this a general director of -- 11 general elect -- general director of Belmac?</p>	<p>12:14:58</p>	<p>5 A. Yes. 6 Q. And what was the date of that meeting? 7 A. I don't remember. 2000, 2001. 8 Q. Okay. Now Dubois left, he told us, in 9 around February of 2000?</p>	<p>12:19:16</p>
<p>12 A. Yes. 13 Q. Okay. And do you remember his name? 14 A. No, I don't remember who it was at the 15 time.</p>	<p>12:15:15</p>	<p>10 MR. BOSTWICK: Objection. Form. 11 BY MR. STEWART: 12 Q. So does that -- does that refresh your 13 memory as to when the meeting was with Murphy?</p>	<p>12:19:37</p>
<p>16 Q. And do you -- do you -- do you remember 17 whether Mr. Murphy was part of that discussion?</p>		<p>14 MR. BOSTWICK: Objection. Form. 15 THE WITNESS: I think there were 16 contacts with Pierre Germain starting in September. 17 BY MR. STEWART:</p>	
<p>18 A. He was not part of the discussions 19 between Igonet and the Spanish, but I know that 20 because nothing was coming out, Claude Dubois came 21 to see me and said, Well, now, we have to discuss 22 with Jim Murphy because everything is blocked.</p>	<p>12:15:52</p>	<p>18 Q. Of what year? 19 A. The year of Claude Dubois' departure. 20 Q. Yes. 21 A. And there must have been things that 22 were said, and we probably met in February or March</p>	<p>12:19:49</p>

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<p>Page 98 12:20:04</p> <p>1 of the following year. I think there were also, 2 independently of Pierre, some contacts with 3 Patrice. I don't know what -- how intense they 4 were, because Patrice and Jim got along pretty well 5 on a personal level. 12:20:31</p> <p>6 Q. Okay. So what is your best recollection 7 of the meeting that you had with Jim Murphy -- what 8 is the best recollection of when you had this 9 meeting with Jim Murphy regarding expanding the 10 relationship with Ethypharm? 12:20:52</p> <p>11 MR. BOSTWICK: Without the benefit of 12 the documents?</p> <p>13 MR. STEWART: Right.</p> <p>14 MR. BOSTWICK: You can answer.</p> <p>15 THE WITNESS: I think it was the spring 12:21:15 16 of the following year, so it was the spring of -- 17 Claude Dubois left when? 18 BY MR. STEWART:</p> <p>19 Q. He told us, as a -- as a functional 20 matter, he left in February of 2000. 12:21:30</p> <p>21 MR. BOSTWICK: I'm going --</p> <p>22 THE WITNESS: There's a chance that --</p>	<p>Page 100 12:24:22</p> <p>1 marked as the next exhibit, a Note Interne, Exhibit 2 10 or 11?</p> <p>3 MR. MINGOLLA: Exhibit 11.</p> <p>4 MR. STEWART: For some reason I'm 5 missing 10. Do we have 10? 12:25:05</p> <p>6 MR. BOSTWICK: That's Exhibit 10.</p> <p>7 THE WITNESS: (In English) This one, 8 yes, 10.</p> <p>9 MR. STEWART: Okay.</p> <p>10 MR. BOSTWICK: The 10 just -- 12:25:05</p> <p>11 MR. STEWART: Well, let's go off the 12 record for now.</p> <p>13 MR. BOSTWICK: Yeah.</p> <p>14 THE VIDEOGRAPHER: The time is 12:24:52.</p> <p>15 Off the record. 12:25:06</p> <p>16 (Discussion held off the record.)</p> <p>17 THE VIDEOGRAPHER: On the record. The 18 time is 12:28:44.</p> <p>19 MR. STEWART: Okay. For the record, by 20 agreement of counsel, the document which is a fax 12:29:03 21 cover sheet from Adolfo Basilio, and faxed 22 information dated October 11, 1992, with an</p>
<p>Page 99 12:21:38</p> <p>1 MR. BOSTWICK: I'll object to the form.</p> <p>2 THE WITNESS: -- that was the spring of 3 2001.</p> <p>4 MR. BOSTWICK: Object to the form and 5 manner of questioning. 12:21:46</p> <p>6 MR. STEWART: Okay.</p> <p>7 BY MR. STEWART:</p> <p>8 Q. Mr. Leduc, turn to Exhibit 1.</p> <p>9 Well, I was looking for an allegation in 10 the Complaint that referenced a meeting in 2001 but 12:22:43 11 I don't see it. So -- so I'll have to simply ask 12 you. Tell me what -- who was at this meeting that 13 we think was sometime in the spring of 2001.</p> <p>14 A. Simply Murphy, Pierre Germain, and 15 myself. 12:23:21</p> <p>16 Q. Okay. All right. All right. Well, I 17 think -- I think I may have a document that may 18 help you.</p> <p>19 A. (In English) Okay.</p> <p>20 (Leduc Deposition Exhibit No. 10 was 12:23:30 21 marked for Identification.)</p> <p>22 MR. STEWART: Okay. Let's have this</p>	<p>Page 101 12:29:19</p> <p>1 attached document called Manifesta, beginning with 2 EP 004685 has been remarked as Exhibit 9 to keep in 3 the proper sequence. And it's stipulated that any 4 reference to this document will be changed on the 5 record to Exhibit 9. 12:29:36</p> <p>6 And also, the document which was just 7 identified with Bates No. EP 003283, a Note 8 Interne, is -- has been marked as Leduc 10.</p> <p>9 Is that acceptable?</p> <p>10 MR. BOSTWICK: That confirms and counsel 12:30:01 11 concurs.</p> <p>12 MR. STEWART: Okay.</p> <p>13 BY MR. STEWART:</p> <p>14 Q. Mr. Leduc, tell us what this Note 15 Interne is, Exhibit 10. 12:30:10</p> <p>16 A. This note is a summary of what was 17 discussed in two different groups. I thought it 18 was in the spring but no. Obviously, it was in 19 November.</p> <p>20 Q. This the same meeting that you were 12:30:39 21 referring to; is that right?</p> <p>22 A. Yes.</p>

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<p>Page 102 12:30:44</p> <p>1 Q. Before we get into the details of the 2 Exhibit 10, tell me how the meeting came about. 3 MR. BOSTWICK: Objection. Asked and 4 answered. 5 MR. STEWART: Come on. 12:31:04 6 THE WITNESS: I think Pierre Germain had 7 several contacts with Jim Murphy and told me now he 8 wants to see you in Paris to settle the problems. 9 BY MR. STEWART: 10 Q. What was the problem? 12:31:28 11 A. The problem was that, first of all, we 12 still didn't have a contract, a signed contract. 13 Secondly, that they were suggesting the 14 transfer of the know-how also for the acquiesce 15 form. And we also wanted the possibility to 12:32:00 16 provide Spanish customers with this formulation. 17 So that we wanted to be able to either 18 directly, or through Belmac, to supply Spanish 19 customers with formulations that were previously 20 exquisitely from Belmac. 12:32:44 21 Q. And you had this discussion with 22 Mr. Leduc, with Mr. Murphy, and Mr. Germain; is</p>	<p>Page 104 12:34:46</p> <p>1 Q. And in the translation it says, It was 2 agreed that Ethypharm send a draft contract to 3 Belmat -- Belmac, paren, capital GC, paren, before 4 mid-December." 5 THE WITNESS: (In English) GC -- GC, 12:35:01 6 what is GC? 7 BY MR. STEWART: 8 Q. That's what I was going to ask you. 9 A. (In English) I don't know. If it's me, 10 the GL, I cannot this -- GC, I don't know. 12:35:11 11 MR. BOSTWICK: I'm sorry, Craig. Which 12 meeting are you reading from, the one with him in 13 it or -- 14 MR. STEWART: No, I beg your pardon. 15 Yeah, I was reading the wrong one. I 12:35:34 16 was reading the wrong one. I -- I was reading, you 17 know, the -- let me start the question again. I 18 made a mistake. 19 THE WITNESS: (In English) No problem. 20 MR. BOSTWICK: And I'll just -- before 12:35:49 21 we start, I'll object to foundation in the sense 22 that he wasn't at the meeting apparently. So --</p>
<p>Page 103 12:32:59</p> <p>1 that correct? 2 A. You said Leduc. 3 Q. Yes, sorry. You're Mr. Leduc. 4 At the same time was there also a 5 meeting between Mr. Liorzou, Mr. de Basilio, and 12:33:12 6 Mr. Herrera? 7 A. Yes. 8 Q. What was the subject of that meeting? 9 A. No more problems between the local 10 subsidiaries. But they were not concerned with our 12:33:35 11 strategic discussion. 12 Q. Turn to the Note Interne of the meeting 13 with Mr. Liorzou, Mr. de Basilio, and Mr. Herrera. 14 I would ask that the -- our translator 15 Mr. Devynck translate -- let's see -- let me 12:34:10 16 withdraw that. 17 There's a translation which we have 18 appended to the Note Interne of the meeting with 19 Liorzou to de Basilio and Herrera. 20 A. (In French) Oui. 12:34:39 21 Q. Do you see that? 22 A. (In French) Oui.</p>	<p>Page 105 12:35:55</p> <p>1 MR. STEWART: Yeah. 2 MR. BOSTWICK: -- to the extent you're 3 asking him questions, you appear to be asking just 4 based on his reading of this document? 5 MR. STEWART: That's correct. 12:36:04 6 BY MR. STEWART: 7 Q. The document I'm referring to is 8 EP 003284. Do you have that? 9 A. Yes. 10 Q. And -- 12:36:18 11 MR. BOSTWICK: Let me -- may I make one 12 other -- is he supposed to be looking at the French 13 version so he gets a clear view of what was 14 actually written or is he supposed to be looking at 15 the -- or the rough translation? 12:36:27 16 MR. STEWART: Well, I will -- I will -- 17 I will read the translation because I can't read 18 the French. Then I'll ask him a question. 19 The trans -- translator will -- will translate. 20 MR. BOSTWICK: Okay. 12:36:43 21 Why don't you look at the French. 22</p>

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